# MONTANA LEGISLATIVE HISTORY

Chapter 97 19 93

Bill H _____ S 159 Original bill & history ✓ C

| H. Committee on Local Gov. | | S. Committee on Taxation | |
|---|---|---|---|
| Hearing Date(s) 3-4 | ✓ C | Hearing Date(s) 1-26 | ✓ C |
| _____ | ____C | _____ | ____C |
| _____ | ____C | _____ | ____C |
| _____ | ____C | _____ | ____C |
| Date Out _____ | ____C | | |

Did this bill originate in an interim committee? ____Yes ____No

Committee _____ Report _____

| | | | |
|---|---|---|---|
| | TRANSMITTED TO HOUSE | | |
| 2/23 | REFERRED TO LOCAL GOVERNMENT | | |
| 2/23 | FIRST READING | | |
| 3/16 | HEARING | | |
| 3/26 | COMMITTEE REPORT—BILL CONCURRED | | |
| 3/26 | PLACED ON CONSENT CALENDAR | | |
| 3/30 | 3RD READING CONCURRED | 96 | 4 |
| | RETURNED TO SENATE | | |
| 4/03 | SIGNED BY PRESIDENT | | |
| 4/06 | SIGNED BY SPEAKER | | |
| 4/07 | TRANSMITTED TO GOVERNOR | | |
| 4/12 | SIGNED BY GOVERNOR | | |
| | CHAPTER NUMBER 316 | | |
| | EFFECTIVE DATE: 10/01/93 | | |

SB 158 INTRODUCED BY REA, ET AL.

PROHIBIT THE PURCHASE OR USE BY STATE GOVERNMENT OF CEMENT THAT CONTAINS HAZARDOUS WASTE OR CEMENT THAT IS PRODUCED THROUGH A PROCESS THAT BURNS HAZARDOUS WASTE

| | | | |
|---|---|---|---|
| 1/15 | INTRODUCED | | |
| 1/15 | REFERRED TO NATURAL RESOURCES | | |
| 1/15 | FISCAL NOTE REQUESTED | | |
| 1/15 | FIRST READING | | |
| 1/20 | FISCAL NOTE RECEIVED | | |
| 1/21 | FISCAL NOTE PRINTED | | |
| 1/25 | HEARING | | |
| 2/10 | TABLED IN COMMITTEE | | |

SB 159 INTRODUCED BY BARTLETT

REVISE TAX DEED PROCESS

| | | | |
|---|---|---|---|
| 1/15 | INTRODUCED | | |
| 1/15 | REFERRED TO TAXATION | | |
| 1/15 | FISCAL NOTE REQUESTED | | |
| 1/15 | FIRST READING | | |
| 1/19 | FISCAL NOTE RECEIVED | | |
| 1/20 | FISCAL NOTE PRINTED | | |
| 1/26 | HEARING | | |
| 1/26 | COMMITTEE REPORT—BILL PASSED AS AMENDED | | |
| 1/27 | 2ND READING PASSED | 47 | 0 |
| 1/28 | 3RD READING PASSED | 45 | 0 |
| | TRANSMITTED TO HOUSE | | |
| 1/29 | FIRST READING | | |
| 1/30 | REFERRED TO LOCAL GOVERNMENT | | |
| 3/04 | HEARING | | |
| 3/05 | COMMITTEE REPORT—BILL CONCURRED | | |
| 3/05 | PLACED ON CONSENT CALENDAR | | |
| 3/08 | 3RD READING CONCURRED | 97 | 1 |
| | RETURNED TO SENATE | | |
| 3/13 | SIGNED BY PRESIDENT | | |
| 3/15 | SIGNED BY SPEAKER | | |
| 3/16 | TRANSMITTED TO GOVERNOR | | |
| 3/17 | SIGNED BY GOVERNOR | | |
| | CHAPTER NUMBER 97 | | |
| | EFFECTIVE DATE: 10/01/93 | | |

Senate BILL NO. 159

INTRODUCED BY Bartlett

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE TAX DEED PROCESS; REQUIRING A TAXPAYER WHO REPURCHASES TAX DEED PROPERTY TO PAY INTEREST; CLARIFYING THAT CERTIFIED MAIL INCLUDES MAIL WITH A RETURN RECEIPT REQUESTED; CONFORMING THE TAX DEED FORM TO THE REQUIREMENTS OF THE LAW; PROVIDING FOR A FORM FOR NOTICE THAT A TAX DEED MAY BE ISSUED AND FOR A FORM FOR PROOF OF NOTICE; AND AMENDING SECTIONS 7-8-2303, 15-18-114, 15-18-212, AND 15-18-213, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 7-8-2303, MCA, is amended to read:

"**7-8-2303. Repurchase rights of taxpayer or successors.** At any time before the time fixed for the first offering of property for sale pursuant to 7-8-2301, ~~notice-of-which--has-been--given--as--provided--in--7-8-2302,~~ the taxpayer or the taxpayer's successor in interest or legal representative ~~whose--property--shall-hereafter-be-deeded-to-the-county~~ may ~~purchase-such~~ repurchase the property from the county. The property may be repurchased, subject to the reservations ~~hereinafter~~ provided for in 7-8-2305, by payment to the county of the full amount of the taxes, penalties, and interest due on ~~said~~ the land at the time of taking ~~said~~ the tax deed plus interest on the full amount at the rate provided for in 15-16-102 from the date of the tax deed to the date of repurchase. ~~Such~~ The purchase and payment may be effected by an installment contract with annual payments as ~~hereinafter~~ provided for in 7-8-2304."

**Section 2.** Section 15-18-114, MCA, is amended to read:

"**15-18-114. Distribution of redemption proceeds.** (1) When a property tax lien for which the county is listed as purchaser is redeemed, the money received from the redemption, including penalties and interest but not costs, must be distributed to the credit of the various funds to which the taxes would have originally been distributed and in the same proportion as the taxes would have originally been distributed.

(2) (a) When a property tax lien for which the recorded purchaser is other than the county is redeemed, the county treasurer shall distribute to the person listed as the purchaser on the tax sale certificate and in the record kept by the county treasurer the amount the purchaser paid the county for the property tax lien plus any subsequent amount paid pursuant to 15-18-112 plus interest, as specified in 15-16-102, from the date of payment until the date of redemption. Any money remaining after distributing redemption proceeds to the purchaser other than the county must be distributed pursuant to subsection (1).

(b) (i) The distribution must be made by certified mail, return receipt requested, by the county treasurer to the purchaser at the address listed on the tax sale certificate as provided in 15-17-212(1)(e).

(ii) If the money distributed to the purchaser is returned unopened to the county treasurer, the treasurer shall publish once a week for 2 consecutive weeks in the official newspaper of the county a notice stating that:

(A) the county treasurer is in possession of money belonging to the purchaser for the redemption of the delinquency on the property named in the tax sale certificate;

(B) the money will be held by the county treasurer for a period of 1 year from the date of publication; and

(C) if the money is not claimed by the purchaser within the 1-year period, the purchaser relinquishes all claim to the money and the money will be credited to the county general fund.

(3) The publication required in subsection (2)(b)(ii) must be made at least annually, but the 1-year period described in subsection (2)(b)(ii)(B) may not begin until the date of publication.

(4) The county treasurer shall keep an accurate account of all money paid in redemption, including a separate accounting of other delinquent taxes, interest, penalties,





and costs, and when and to whom distributed."

**Section 3.** Section 15-18-212, MCA, is amended to read:

"15-18-212. Notice -- proof of notice -- penalty for failure to notify. (1) Not more than 60 days prior to and not more than 60 days following the expiration of the redemption period provided in 15-18-111, a notice must be given as follows:

(a) for each property for which there has been issued to the county a tax sale certificate or for which the county is otherwise listed as the purchaser or assignee, the county clerk shall notify all persons considered interested parties in the property and the current occupant of the property, if any, that a tax deed may be issued to the county unless the property tax lien is redeemed prior to the expiration date of the redemption period; or

(b) for each property for which there has been issued a tax sale certificate to a purchaser other than the county or for which an assignment has been made, the purchaser or assignee, as appropriate, shall notify all persons considered interested parties in the property, if any, that a tax deed will be issued to the purchaser or assignee unless the property tax lien is redeemed prior to the expiration date of the redemption period.

(2) (a) Except as provided in subsection (2)(b), if the county is the purchaser, no an assignment has not been made,

and the board of county commissioners has not directed the county treasurer to issue a tax deed during the period described in subsection (1) but the board of county commissioners at a time subsequent to the period described in subsection (1) does direct the county treasurer to issue a tax deed, the county clerk ~~must~~ shall provide notification to all interested parties and the current occupant, if any, in the manner provided in subsection (1)(a). The notification required under this subsection must be made not less than 60 days or more than 120 days prior to the date on which the county treasurer will issue the tax deed.

(b) If the county commissioners direct the county treasurer to issue a tax deed within 6 months after giving the notice required by subsection (1)(a), ~~no~~ additional notice need not be given.

(3) (a) If a purchaser other than the county or an assignee fails or neglects to give notice as required by subsection (1)(b)~~, which~~ and the failure or neglect is evidenced by failure of the purchaser or assignee to file proof of notice with the county clerk as required in subsection (7), the county treasurer shall notify the purchaser or assignee of ~~his~~ the obligation to give notice under subsection (1)(b). The notice of obligation may be sent by certified mail, return receipt requested, to the purchaser or assignee at the address contained on the tax





sale certificate provided for in 15-17-212 or on the assignment form provided for in 15-17-323.

(b) If within 120 days after the county treasurer mails the notice of obligation the purchaser or assignee fails to give notice as required by subsection (1)(b), as evidenced by failure to file proof of notice with the county clerk as required in subsection (7), the county treasurer shall cancel the property tax lien evidenced by the tax sale certificate or the assignment.

(4) The notice required under subsections (1) and (2) must be made by certified mail, return receipt requested, to each interested party and the current occupant, if any, of the property. The address to which the notice must be sent is, for each interested party, the address disclosed by the records in the office of the county clerk and, for the occupant, the street address or other known address of the subject property.

(5) In all cases in which the address of an interested party is not known, the person required to give notice shall, within the period described in subsection (1) or not less than 60 days or more than 120 days prior to the date upon which the county treasurer will otherwise issue a tax deed, whichever is appropriate, commence publishing once a week for 2 successive weeks, in the official newspaper of the county or ~~such other~~ another newspaper as the board of

county commissioners may by resolution designate, a notice containing the information contained in subsection (6), plus:

(a) the name of the interested party for whom the address is unknown;

(b) a statement that the address of the interested party is unknown;

(c) a statement that the published notice meets the legal requirements for notice of a pending tax deed issuance; and

(d) a statement that the interested party's rights in the property may be in jeopardy.

(6) The notices required by subsections (1), (2), and (5) must contain the following:

(a) a statement that a property tax lien exists on the property as a result of a property tax delinquency;

(b) a description of the property on which the taxes are or were delinquent, which description must be the same as the description of the property on the tax sale certificate or in the record described in 15-17-214(2)(b);

(c) the date that the property taxes became delinquent;

(d) the date that the property tax lien attached as the result of a tax sale;

(e) the amount of taxes due, including penalties, interest, and costs, as of the date of the notice of pending





tax deed issuance, which amount must include a separate listing of the delinquent taxes, penalties, interest, and costs that must be paid for the property tax lien to be liquidated;

(f) the name and address of the purchaser;

(g) the name of the assignee if an assignment was made as provided in 15-17-323;

(h) the date that the redemption period expires or expired;

(i) a statement that if all taxes, penalties, interest, and costs are not paid to the county treasurer on or prior to the date on which the redemption period expires or on or prior to the date on which the county treasurer will otherwise issue a tax deed that a tax deed may be issued to the purchaser on the day following the date on which the redemption period expires or on the date on which the county treasurer will otherwise issue a tax deed; and

(j) the business address and telephone number of the county treasurer who is responsible for issuing the tax deed.

(7) Proof of notice in whatever manner given must be filed with the county clerk. If the purchaser or assignee is other than the county, the proof of notice must be filed with the county clerk within 30 days of the mailing or publishing of the notice. If the purchaser or assignee is

the county, the proof of notice must be filed before the issuance of the tax deed under this chapter. Once filed, the proof of notice is prima facie evidence of the sufficiency of the notice.

(8) A county or any officer of a county may not be held liable for any error of notification."

**Section 4.** Section 15-18-213, MCA, is amended to read:

"15-18-213. Form of tax deed -- prima facie evidence. (1) The form of a tax deed issued under the provisions of this chapter, executed by a county treasurer, must be made in substance as follows:

' This deed is made by ..... (name of county treasurer), county treasurer of the county of ..... (name of county), in the state of Montana, to ..... (name of purchaser, ~~his~~ the purchaser's agent, or assignee), as provided by the laws of the state of Montana:

Whereas, there was assessed for ..... (year) the following real property ..... (description of the property); and

Whereas, the taxes for ..... (year) levied against the property amounted to $.....; and

Whereas, the taxes were not paid and a property tax lien for the payment of the taxes attached and was sold to ..... (name of purchaser or ~~his~~ the purchaser's agent or assignee) on ..... (date, including year) for the





sum of $....., which amount included delinquent taxes in the amount of $....., penalties in the amount of $....., interest in the amount of $....., and other costs in the amount of $.....; and

Whereas, a tax sale certificate was duly issued and filed or the sale otherwise recorded as required by law; and

Whereas, ~~not less than 60 days or more than 90 days prior to this date,~~ notice was given to interested parties in accordance with 15-18-212 that the issuance of a tax deed was pending; and

Whereas, the property tax lien has not been redeemed by ..... (name of former owner) or any other person entitled to redeem it.

Now, therefore, I, ..... (treasurer's name), county treasurer of the county of ....., in the state of Montana, in consideration of the sum of $..... paid, hereby grant to ..... (name of purchaser or ~~his~~ the purchaser's agent or assignee) all the property situated in ..... County, state of Montana, described ~~hereinabove~~ in this document.

Witness my hand on this date ..... (date, including year).

..... County Treasurer

..... County

(2) A tax deed executed in substantially the form

provided in subsection (1) is prima facie evidence that:

(a) the property was assessed as required by law;

(b) the taxes were levied in accordance with law;

(c) the taxes were not paid when due;

(d) notice of tax sale was given and a property tax lien was sold at the proper time and place as provided by law;

(e) the property was not redeemed, and proper notice of a pending tax deed issuance was made as required by law;

(f) the person who executed the deed was legally authorized to do so; and

(g) if the real property was sold to pay delinquent taxes on personal property, the real property belonged to the person liable to pay the personal property tax."

NEW SECTION. **Section 5. Form of notice that tax deed may issue.** Section 15-18-212 requires that notice be given to all persons considered interested parties and to the current occupant of property that may be lost to a tax deed. The notice may be made as follows:

NOTICE THAT A TAX DEED MAY BE ISSUED

TO:..... .....

(Name) (Address, when unknown, so state)

Pursuant to section 15-18-212, Montana Code Annotated, NOTICE IS HEREBY GIVEN:

1. As a result of a property tax delinquency, a





property tax lien exists on the following described real property in which you may have an interest:

.....

.....

2. The property taxes became delinquent on ..... .

3. The property tax lien was attached as the result of a tax sale held on ..... .

4. The property tax lien was purchased at a tax sale on ..... by ..... (Name) ..... (Address).

5. The lien was subsequently assigned to ..... .

6. As of the date of this notice, the amount of tax due is:

TAXES: .....

PENALTY: .....

INTEREST: .....

COST: .....

TOTAL: .....

7. For the property tax lien to be liquidated, the total amount listed in paragraph 6 must be paid by ....., which is the date that the redemption period expires or expired.

8. If all taxes, penalties, interest, and costs are not paid to the county treasurer on or prior to ....., which is the date the redemption period expires, or on or prior to the date on which the county treasurer will otherwise issue

a tax deed, a tax deed may be issued to the purchaser on the day following the date that the redemption period expires or on the date the county treasurer will otherwise issue a tax deed.

9. The business address and telephone number of the county treasurer who is responsible for issuing the tax deed is: ..... County Treasurer, ..... (Address), ..... (Telephone).

FURTHER NOTICE FOR THOSE PERSONS LISTED ABOVE WHOSE ADDRESSES ARE UNKNOWN:

1. The address of the interested party is unknown.

2. The published notice meets the legal requirements for notice of a pending tax deed issuance.

3. The interested party's rights in the property may be in jeopardy.

DATED at ..... this ..... (Date).

.....

Signature

NEW SECTION. **Section 6.** **Form of proof of notice.** Section 15-18-212 requires that proof of notice must be filed with the county clerk. The proof of notice may be made as follows:

PROOF OF NOTICE

I, ..... (Name and Address), acting as or on behalf of the owner of the property tax lien, have complied with





the notice requirements of Title 15, chapter 18, MCA, as follows:

1. A "Notice of Issuance of Tax Deed" was mailed to the owners, current occupant, and interested parties, as that term is defined in section 15-18-111(3), MCA. A copy of each notice is attached.

2. The notices were mailed by certified mail, return receipt requested. Attached are copies of the return receipts.

3. Notice was given to interested parties with unknown addresses by publishing in the official newspaper of the county, which is ....., on ..... and ..... . Proof of publication is attached.

DATED: .....

.....

(Signature)

SUBSCRIBED AND SWORN TO before me this ..... (Date).

.....

Notary Public for the State of Montana

Residing in .....

My Commission Expires .....

-End-

STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB0159, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act revising the tax deed process by requiring a taxpayer who repurchases tax deed property to pay interest, by clarifying that certified mail includes mail with a return receipt requested, by conforming the tax deed form to the requirements of the law, and by providing for a form for notice that a tax deed may be issued and for a form for proof of notice.

ASSUMPTIONS:

1. There is no impact on state revenues or expenditures.

FISCAL IMPACT: None.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES: Minimal local impact. A small amount of increased interest earnings to county taxing jurisdictions in those isolated instances where a taxpayer or his/her agent repurchases the property during the six month period following the county's taking of tax deed and the first auction of the property. Other changes in the bill appear to be of a legal housekeeping nature and have no fiscal impact.

Dave Lewis 1-19-93

DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

Sue Bartlett 1/21/93

SUE BARTLETT, PRIMARY SPONSOR DATE

Fiscal Note for SB0159, as introduced SB 159

CHAIRMAN--MIKE HALLIGAN
NORMAL SCHEDULE==> SITE: RM 413/415 DAYS: M,T,W,T,F TIME: 8:00 A.M.

SECRETARY-BONNIE STARK

| BILL NO | REFER DATE | HEARING DATE | CONSIDERATION DATES | COMMITTEE ACTION | REREFERRED TO COMM | DATE OUT |
|---|---|---|---|---|---|---|
| SB0141 | 1/13 | 1/19 | 1/20/93 | PASS AS AMENDED | | 1/20 |
| ECK, DOROTHY | | | CLARIFYING TAX EXEMPTION OF FEDERALLY OWNED PROPERTY | | | |
| SB0144 | 1/14 | 1/21 | 1/28/93 | ADVERSE RPT ADOPT | | 1/28 |
| GAGE, DEL | | | EXEMPT OIL AND GAS FROM RITT, IMPOSE TAX FOR OIL AND GAS DAMAGE MITIGATION | | | |
| SB0148 | 1/14 | 1/21 | 2/11/93 | TABLED ON 02/11 | | |
| GAGE, DEL | | | REVISE ALLOCATION OF RESOURCE INDEMNITY TAX PROCEEDS | | | |
| SB0151 | 1/14 | 1/20 | 1/20/93 | DO PASS | | 1/20 |
| BROWN, BOB | | | REPEAL SUNSET ON PROPERTY TAX EXEMPT. OF CERTAIN FILM-PRODUCTION PROPERTY | | | |
| SB0159 | 1/15 | 1/26 | 1/26/93 | PASS AS AMENDED | | 1/26 |
| BARTLETT, SUE | | | REVISE TAX DEED PROCESS | | | |
| SB0162 | 1/15 | 1/26 | 1/29/93 | TABLED ON 01/29 | | |
| GAGE, DEL | | | INCREASED TAX RATE ON VALUE OF RESIDENCES OVER $200,000 | | | |
| SB0168 | 1/16 | 1/22 | 2/3/93 | PASS AS AMENDED | | 2/04 |
| BECK, TOM | | | REVISING THE VALUATION AND TAXATION OF AGRICULTURAL LANDS | | | |
| SB0170 | 1/16 | 1/22 | 1/28/93 | TABLED ON 01/28 | | |
| JERGESON, GREG | | | REVISING THE VALUATION OF AGRICULTURAL LAND FOR PROPERTY TAX PURPOSES | | | |
| SB0175 | 1/16 | 1/26 | 1/28/93 | DO PASS | | 1/28 |
| GAGE, DEL | | | EXEMPT FIRST 1,000 TONS OF TRAVERTINE & BUILDING STONE FROM PROPERTY TAX | | | |
| SB0182 | 1/18 | 1/27 | 3/26/93 | TABLED ON 03/27 | | |
| DOHERTY, STEVE | | | REVISE THE DEFINITION OF AGRICULTURAL LAND FOR TAX PURPOSES | | | |
| SB0183 | 1/18 | 1/27 | 1/27/93 | DO PASS | | 1/27 |
| DOHERTY, STEVE | | | ASSESSMENT OF PROPERTY THAT IS BOTH TAX EXEMPT AND NOT TAX EXEMPT | | | |

# MINUTES

## MONTANA SENATE
## 53rd LEGISLATURE - REGULAR SESSION

## COMMITTEE ON TAXATION

**Call to Order:** By Chairman Mike Halligan, on January 26, 1993, at 8:05 a.m.

### ROLL CALL

**Members Present:**
Sen. Mike Halligan, Chair (D)
Sen. Dorothy Eck, Vice Chair (D)
Sen. Bob Brown (R)
Sen. Steve Doherty (D)
Sen. Delwyn Gage (R)
Sen. Lorents Grosfield (R)
Sen. Spook Stang (D)
Sen. Tom Towe (D)
Sen. Fred Van Valkenburg (D)
Sen. Bill Yellowtail (D)

**Members Excused:** Sen. John Harp (R)

**Members Absent:** None

**Staff Present:** Jeff Martin, Legislative Council
Bonnie Stark, Committee Secretary

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.

**Committee Business Summary:**
Hearing: SB 159, SB 162, SB 175
Executive Action: SB 159

### HEARING ON SB 159

**Opening Statement by Sponsor:**

Senator Sue Bartlett, representing Senate District #23, presented Senate Bill 159, at the request of the County Treasurer's Association. Senator Bartlett said this bill makes minor changes in the tax deed law which will make the process clearer and easier for someone taking an assignment of a county tax lien, and requires that notices by certified mail include return receipt requested forms. SB 159 also has a form of notice that the tax deed may issue and Proof of Notice form which will be filed of record.

Senator Bartlett said that Senate Bill 159 provides that interest would be added on the taxes due from the date of the tax deed to the date of repurchase by an owner. According to the Department of Revenue Fiscal Note, there would be no impact on state revenues or expenditures.

Senator Bartlett presented an amendment to Senate Bill 159, which is attached to these minutes as Exhibit No. 1.

**Proponents' Testimony:**

Cort Harrington, representing the Montana County Treasurer's Association, spoke in favor of Senate Bill 159, calling it an improvement to the major tax fee process revision of 1987.

**Opponents' Testimony:**

None.

**Informational Testimony:**

None.

**Questions From Committee Members and Responses:**

Senator Towe questioned Senator Bartlett on the notice form as provided in Section 5 of Senate Bill 159. Senator Bartlett replied that notice would be sent to anyone who has an interest in the property that a tax deed may issue unless the delinquencies are paid by a given date in order to forestall the tax deed, and that a tax deed is given three years after the tax sale for the first year's delinquency.

Upon questioning by Senator Halligan, Senator Bartlett stated that if the owner redeems the property prior to tax deed, interest runs from the time the property went delinquent until the time the tax deed issues; if the owner repurchases the property after the tax deed issues, additional interest would be applied from the date of the tax deed until the owner repurchased, at the statutory rate of 5/6 of 1%.

**Closing by Sponsor:**

Senator Bartlett offered no additional closing remarks.

## HEARING ON SB 162

**Opening Statement by Sponsor:**

Senator Delwyn Gage, representing Senate District #5, presented Senate Bill 162, which is an act increasing the tax rate to 6% on the portion of the market value over $200,000 of a single-family residence. Senator Gage expressed concerns about

deductible against travertine and how much should be applied against the by-products. Senator Gage feels the tax on travertine may be a tax which costs more to collect than is gained in tax revenue. Senate Bill 175 will apply an exemption for the first 1,000 Tons of travertine and building stone extracted in a taxable year.

**Proponents' Testimony:**

None.

**Opponents' Testimony:**

None.

**Informational Testimony:**

None.

**Questions From Committee Members and Responses:**

Senator Towe questioned Senator Gage about the average tonnage of travertine mined in the Livingston area mine, the only travertine mine in the state. Senator Gage said the owner told him the mine produced approximately 300 Tons of travertine per year. Senator Gage, answering questions by Senator Towe, said this is a net proceeds tax so it would apply at 100% of value.

Senator Towe questioned Dave Nielsen, tax analyst with the Department of Revenue, who said the Department records indicate the 1991 Legislature placed a 2-year moratorium on taxing travertine so there are no tax figures available.

Jeff Martin, Legislative Council Staff, said the 1991 Legislature exempted travertine from the net proceeds tax which explains the applicability date on Senate Bill 175 to tax years beginning after December 31, 1993.

**Closing by Sponsor:**

Senator Gage offered no further remarks in closing.

## EXECUTIVE ACTION ON SB 159

**Motion:**

Senator Eck moved approval of the amendments to Senate Bill 159.

**Discussion:**

None.

**Vote on Amendments:**

Motion to amend Senate Bill 159 carried on oral vote.

**Motion:**

Senator Yellowtail moved Senate Bill 159 Do Pass as Amended.

**Discussion:**

None.

**Vote:**

Motion that Senate Bill 159 Do Pass As Amended carried on oral vote.

**ADJOURNMENT**

**Adjournment:** The meeting adjourned at 8:45 a.m.

MIKE HALLIGAN, Chair

BONNIE STARK, Secretary

MH/bjs

# ROLL CALL

SENATE COMMITTEE TAXATION DATE 1-26-93

| NAME | PRESENT | ABSENT | EXCUSED |
|---|---|---|---|
| Sen. Halligan, Chair | ✓ | | |
| Sen. Eck, Vice Chair | ✓ | | |
| Sen. Brown | ✓ | | |
| Sen. Doherty | ✓ | | |
| Sen. Gage | ✓ | | |
| Sen. Grosfield | ✓ | | |
| Sen. Harp | | | ✓ |
| Sen. Stang | ✓ | | |
| Sen. Towe | ✓ | | |
| Sen. Van Valkenburg | ✓ | | |
| Sen. Yellowtail | ✓ | | |
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FC8

Attach to each day's minutes

# SENATE STANDING COMMITTEE REPORT


January 26, 1993

MR. PRESIDENT:
We, your committee on Taxation having had under consideration Senate Bill No. 159 (first reading copy -- white), respectfully report that Senate Bill No. 159 be amended as follows and as so amended do pass.

Signed: _____
Senator Mike Halligan, Chair

That such amendments read:

1. Page 14, line 6.
Following: "attached"
Insert: "or is on file in the office of the county clerk"

2. Page 14, line 8.
Strike: "Attached are copies"
Insert: "Copies"

3. Page 14, line 9.
Following: "receipts"
Insert: "are attached or are on file in the office of the county clerk"

-END-

Amd. Coord.
Sec. of Senate

SENATE TAXATION
EXHIBIT NO. 1
DATE 1-26-93
BILL NO. SB159

Amendment to SB159

P14 line ~~15~~ 16
Following: "Attached"
Insert: "or is on file in the office of the county clerk."

P14 line 8
Following: "requested."
Strike: "Attached are copies"
Insert: "Copies"

P14 line 9
Following: "receipts"
Insert: "~~are attached~~ or on file in the office of the county clerk"

DATE January 26, 1993

SENATE COMMITTEE ON Taxation

BILLS BEING HEARD TODAY: SB 159, 162, 175

| Name | Representing | Bill No. | Check One Support | Oppose |
|---|---|---|---|---|
| Tom Hopgood | Mt. Assoc. Realtors | SB 162 | | ✓ |
| Nancy Griffin | Mt. Building Industry | SB 162 | | ✓ |
| Carl Hanson | Mt. County Treasurers Assn. | SB 159 | ✓ | |
| David L. Nielsen | DOR | | | |
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# VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

F10

| - BILL NO - | REFERRED - | HEARING - | OTHER CONSIDERATION DATES - | EXECUTIVE ACTION/DATE/VOTE ------- | REREFERRED ---- | DATE READ |
|---|---|---|---|---|---|---|
| SB0106 | GAGE, DEL<br>1/26 | 3/09 | REVISE REFUND OF TAXES BY COUNTY COMMISSIONERS<br>3/16 | CONCUR 04/06 VOTE: 9-5 | | 4/07 |
| SB0112 | HARDING, ETHEL<br>2/23 | 3/11 | CONST. AMENDMENT REQUIRING ELECTORATE APPROVE CONSOLIDATING COUNTY OFFICES | CONCUR 03/16 VOTE: 11-5 | | 3/17 |
| SB0139 | TOWE, TOM<br>1/26 | 3/11 | LOCAL GOVERNMENT INVESTMENT IN OBLIGATIONS GUARANTEED BUT NOT ISSUED BY U.S. | CONCUR AS AMENDED 03/11 VOTE: 9-6 | | 3/12 |
| SB0149 | REA, JACK<br>2/06 | 3/16 | REVISE DUTIES OF COUNTY COMMISSIONERS RE: ROADS | CONCUR 03/16 VOTE: 16-0 | | 3/17 |
| SB0157 | JERGESON, GREG<br>2/23 | 3/16 | COUNTY CAN ASSIGN "IN-CITY" PROPERTY TO CITY AFTER RECEIVING IT VIA TAX SALE | CONCUR 03/25 VOTE: 16-0 | | 3/26 |
| SB0159 | BARTLETT, SUE<br>1/30 | 3/04 | REVISE TAX DEED PROCESS | CONCUR 3/14 VOTE: 14-0 | | 3/05 |
| SB0189 | DOHERTY, STEVE<br>2/23 | 3/23 | REQUIRE CURRENT & DELINQUENT TAXES BE PAID BEFORE PROPERTY SPLIT OR COMBINED | CONCUR AS AMENDED 3/25 VOTE: 16-0 | | 3/26 |
| SB0215 | VAN VALKENBURG, FRED<br>2/23 | 3/16 | ALLOW COUNTY OR MUNICIPALITY TO DONATE TAX-DEED LAND FOR HOUSING | CONCUR 3/25 VOTE: 14-2 | | 3/26 |
| SB0244 | HARDING, ETHEL<br>2/23 | 3/11 | INDUSTRIAL DEVELOPMENT BONDS FOR DEVELOPMENTALLY DISABLED FACILITIES | CONCUR 03/11 VOTE: 13-2 | | 3/12 |
| SB0273 | STANG, BARRY<br>2/23 | 3/04 | REMOVE RESTRICTION ON POLICE OFFICERS WORKING ELSEWHERE IN CITY GOVERNMENT | CONCUR 03/04 VOTE: 14-0 | | 3/05 |
| SB0288 | FRITZ, HARRY<br>2/23 | 3/23 | LOCAL GOVERNMENT RECORD RETENTION COMMITTEE | CONCUR AS AMENDED 03/25 VOTE: 16-0 | | 3/26 |
| SB0298 | BARTLETT, SUE<br>2/23 | 3/23 | AMEND MUNICIPAL FINANCE CONSOLIDATION ACT TO INCLUDE SERVICE DISTRICTS<br>03/23 | CONCUR 03/25 VOTE: 16-0 | | 3/26 |

# MINUTES

## MONTANA HOUSE OF REPRESENTATIVES
## 53rd LEGISLATURE - REGULAR SESSION

## COMMITTEE ON LOCAL GOVERNMENT

**Call to Order:** By **CHAIRMAN NORM WALLIN**, on March 4, 1993, at 3:00 p.m.

### ROLL CALL

**Members Present:**

Rep. Norm Wallin, Chairman (R)
Rep. Ray Brandewie, Vice Chairman (R)
Rep. Ellen Bergman (R)
Rep. John Bohlinger (R)
Rep. Dave Brown (D)
Rep. Tim Dowell (D)
Rep. Dave Ewer (D)
Rep. Stella Jean Hansen (D)
Rep. Jack Herron (R)
Rep. Tim Sayles (R)
Rep. Liz Smith (R)
Rep. Randy Vogel (R)
Rep. Karyl Winslow (R)
Rep. Diane Wyatt (D)

**Members Excused:** Rep. Ed McCaffree, Rep. Sheila Rice

**Members Absent:** None

**Staff Present:** Bart Campbell, Legislative Council
Pat Bennett, Committee Secretary

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing: SB 25, SJR 5, SB 159, SB 273
Executive Action: SB 273, SJR 5, SB 25, SB 159

### HEARING ON SENATE BILL 25

**Opening Statement by Sponsor:**

**SEN. ELEANOR VAUGHN, SD 1, Libby**, introduced SB 25 which would authorize multi-jurisdictional service districts to provide dispatch services. There are small towns who have been depending on volunteers to man the dispatch services. It has been extremely difficult getting volunteers to work the night shift, Sundays and holidays. These small towns would like to be included in the ability to have a multi-jurisdictional district

monies that could be gained by consolidation of counties. **SEN. GAGE** said there could be if the legislature told every county that they need not have a jail and instead have regional jails. He contended that the state in turn should be supplying these regional facilities since many of the arrests are the result of violations of state statutes as opposed to city violations.

**REP. HANSEN** informed the Committee that counties and cities would be reviewed under the constitutional mandate in 1994, therefore, the study is not needed. He commented they should consolidate because it's already known that cities and counties are not functioning.

**REP. DOWELL** asked **Gordon Morris, Executive Director, Montana Association of Counties,** to comment on SJR 5 and also on the ability counties currently have to consolidate on their own. **Mr. Morris** noted that he would have appeared as an opponent to SJR 5, however, he had been detained in the Senate Local Government Committee. He noted that there is consolidation of services taking place in local government. Currently there are consolidated services with regard to county attorney services, juvenile detention services, along with the creation of multi-jurisdictional districts. He stated there is not a need for a study, local government officials are already doing a study with the participation of their constituents.

Closing by Sponsor:

**SEN. GAGE** closed the hearing on SJR 5 stating that counties and cities are not going to do the consolidating themselves knowing full well it could mean losing their own jobs. The legislature needs to study the facts relating to how much government is needed. The change in boundaries could bring great savings.

## HEARING ON SENATE BILL 159

Opening Statement by Sponsor:

**SEN. SUE BARTLETT, SD 23, Helena,** introduced SB 159, relating to divisions in the tax deed laws. The County Treasurer's Association requested this bill. Under current law there is no interest accruing on delinquent taxes from the date the tax deed is issued to the time of the auction which is usually six months following issuance of the tax deed. SB 159 would add interest on the amount of taxes due for the time period during which the original owner is the only one allowed to repurchase. The interest rate would be the same rate as other delinquent tax rates. The other change would require a return-receipt request along with the already required notice sent by certified mail.

Proponents' Testimony:

**Cort Harrington, Montana County Treasurer's Association,**

testified in support of SB 159. Prior to the 1987 session there was an interim study on the tax deed process and as a result, there was a major revision of the entire process. Every session since, the Treasure's have requested bills to improve the process.

**Doug Olson, Attorney, Helena,** testified in support of SB 159 stating that his firm deals with real estate, title searches, etc. and the proposed changes would be beneficial to the process.

Opponents' Testimony: None

Questions From Committee Members and Responses:

**REP. BOHLINGER** noted that the Pierce Packing Company has been defunct for the past ten years, and asked **SEN. BARTLETT** if, had the interest been accruing over the past ten years of uncollected taxes, Pierce Packing Company would become even more of a white elephant, making it more difficult for a developer to acquire. He asked how SB 159 would affect Pierce Packing Company.

**SEN. BARTLETT** said the bill would only affect the Company if the owner paid the taxes due within the six-month period and reclaimed the property. During the six-month period the delinquency would have been accruing interest at five-sixths of one percent. The original owner will end up owing more, but the interest stops accruing when the owner's right to purchase the property has expired.

**REP. BRANDEWIE** clarified the APR rate is 10%, which is five-sixths of one percent per month.

**REP. EWER** asked how often a person repurchased their property after issuance of a tax deed. **SEN. BARTLETT** replied it is far more common for people to make payments prior to issuance of a tax deed. She said there have been times when the original owner has repurchased the property after a tax deed has been issued, however, it does not happen often.

Closing by Sponsor:

**SEN. BARTLETT** closed the hearing on SB 159.

## EXECUTIVE ACTION ON SENATE BILL 159

Motion/Vote: **REP. VOGEL MOVED SB 159 BE CONCURRED IN.** Motion carried unanimously.

Motion/Vote: **REP. WINSLOW** moved to put SB 159 on the consent calendar. Motion carried.

## HOUSE OF REPRESENTATIVES

LOCAL GOVERNMENT COMMITTEE

ROLL CALL DATE 3/4/93

| NAME | PRESENT | ABSENT | EXCUSED |
|---|---|---|---|
| REP. NORM WALLIN, CHAIRMAN | ✓ | | |
| REP. RAY BRANDEWIE, VICE CHAIRMAN | ✓ | | |
| REP. ELLEN BERGMAN | ✓ | | |
| REP. JOHN BOHLINGER | ✓ | | |
| REP. DAVE BROWN | ✓ | | |
| REP. TIM DOWELL | ✓ | | |
| REP. DAVID EWER | ✓ | | |
| REP. STELLA JEAN HANSEN | ✓ | | |
| REP. JACK HERRON | ✓ | | |
| REP. ED McCAFFREE | | | ✓ |
| REP. SHEILA RICE | | | ✓ |
| REP. TIM SAYLES | ✓ | | |
| REP. LIZ SMITH | ✓ | | |
| REP. RANDY VOGEL | ✓ | | |
| REP. KARYL WINSLOW | ✓ | | |
| REP. DIANA WYATT | ✓ | | |
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HOUSE STANDING COMMITTEE REPORT

March 5, 1993



Mr. Speaker: We, the committee on Local Government report that Senate Bill 159 (third reading copy -- blue) be concurred in and be placed on consent calendar .

Signed: _____

Norm Wallin, Chair

Carried by: Rep. Ewer

Committee Vote:

HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

LOCAL GOVERNMENT COMMITTEE BILL NO. SB 159

DATE 3/4/93 SPONSOR(S) Senator Sue Bartlett

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| NAME AND ADDRESS | REPRESENTING | SUPPORT | OPPOSE |
|---|---|---|---|
| Cat Harrington | Montana County Treas Assn | ✓ | |
| Doug Olson | Helena - self | ✓ | |
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PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.